

→ [Coronavirus \(COVID-19\)](#) | National restrictions in England from 5 November

→ [Brexit transition](#) | Take action now for new rules in 2021

Home > [Coronavirus \(COVID-19\)](#) > [Education and childcare during coronavirus](#)
> [Funding and support for education providers during coronavirus](#)
> [Support for university research and innovation during coronavirus \(COVID-19\)](#)

Part of

Education and childcare during coronavirus

 Department for Business, Energy & Industrial Strategy

Notice

Sustaining University Research Expertise (SURE) package

Updated 6 November 2020

The UK’s world-class research and researchers play a vital role in delivering local and national economic prosperity but we recognise that some of that research is at risk from a range of income losses as a result of coronavirus.

On 27 June 2020 we announced a package of support for eligible Higher Education Providers (referred to as universities below) to continue their world-class research and innovation activities. The package, now called the Sustaining University Research Expertise Fund (SURE), will consist of low-interest loans with long pay-back periods, supplemented by a small amount of government grants. The government will cover up to 80% of a university’s income losses from international students for the academic year (AY) 2020-21, up to the value of non-publicly funded research activity in that university.

Further detail on the package is set out below, and UK Research and Innovation (UKRI) will be publishing detailed guidance shortly.

We recognise that some universities will want to use this funding to protect areas of medical research that have been developed in part with support of charities. Charity-funded research has been a distinctive feature of the UK research system and a successful partnership with government through the charity element of QR. Now is the time to align that partnership as a more sustainable element of the research system.

Alongside this, the Department for Education (DfE) is continuing to work with the Department for Business, Energy and Industrial Strategy (BEIS), Her Majesty’s Treasury (HMT) and other government departments on a restructuring regime through which universities at risk of closure will be able to apply to government for a loan as a last resort. Government will review university’s circumstances and assess the need for a loan where there is a case to do so. Where action is required, this will come with bespoke conditions attached which will be linked to the restructuring plan. More detail will be made available by DfE in due course.

Explanatory notes

Overall package

How will the funding be calculated?

The value of SURE package to each university is calculated based on meeting 80% of losses from international (non-EU) student income, capped at the value of research income from non-public sources including from cross-subsidies.

This means that the value is the lower of either:

- 80% of the loss in fees from international students. This is calculated using forecast data as at 30 October 2020 provided through the recent data collection exercise compared against AY 2018-19 baseline data

or

- the value of non-public research funding. This is calculated as the sum of research income from all businesses and charities, plus expenditure on research which is funded by the university itself.

For most universities the loss in overseas income will be the metric which determines the overall support available.

Noting the continued pressure faced by universities there will be no further data collection to amend these allocations. Allocations will not be revisited in light of any further data collection exercise in early 2021.

At a sector level the total grant available will include the grants allocated through UKRI’s costed grant extension allocation and the National Academies scheme. Therefore, individual universities will now receive substantially more than 75% of their SURE allocation originally envisaged as a loan. Given the latest positive data on overall international student recruitment for AY 2020-21, this suggests that the package will be almost entirely in the form of a loan, with only a very small proportion of grant.

The baseline data on international student income used to calculate the allocation will be based on AY 2018-19 baseline data and predicted numbers for AY 2020-21 collected as at 30 October 2020.

Is this a guarantee that all universities will receive support to cover up to 80% of income losses from international students?

Not necessarily. Support will be dependent on the university’s ability to take advantage of the grants and loan being made available. Some universities may be restricted by current levels of borrowing or by agreements with existing lenders. Support is also capped at the level of a university’s non-publicly funded research to ensure that funds are being directed towards universities conducting research.

Who will administer the funding package?

UKRI will administer the grant element of the package. UKRI, working with the 4 UK funding bodies -UKRI/Research England, HEFCW, SFC, DfENI - will manage the process of making and assessing submissions, and these bodies will be the route for queries related to SURE in most cases. BEIS will administer the loan component.

When will support be made available?

UKRI will issue guidance shortly on how universities can apply to receive funding through SURE, including a template statement of use for universities to detail their approach to using their funding allocation.

When the guidance is published, universities will be asked to complete an Expression of Interest (EOI). Through the EOI process, we will seek an early indication of whether or not universities wish to apply for support. We will also seek agreement for relevant institutional data from TRAC returns and financial monitoring data to be shared for specific purposes associated with the formula for the SURE scheme and the financial due diligence required for take up of loans.

Forecast data on AY 2020-21 international student numbers will be used by UKRI to calculate the overall level of support available to individual universities. Maximum available allocations will then be shared with universities.

The final deadline for submissions will be noon 18 December 2020. Universities are encouraged to begin working on their applications as early as possible and should engage with UKRI and the appropriate HE funding body in the devolved administrations as these develop. As the majority of the package takes the form of loans, we expect that it will be necessary for universities to discuss their approach with governing bodies and other lenders as appropriate. We expect to be able to offer some flexibility to allow universities to submit an application subject to confirmation from other lenders where necessary.

Following submission of the EOI, initial due diligence checks relating to the loan will commence. We will engage with applicants following submission of an application to address any questions arising from the due diligence or from the SURE application and to confirm the proposed allocations and to finalise the outcomes of the process.

All payments will be made by 31 March 2021.

What conditions will be attached to the funding? How will the process work?

Universities will be asked to submit a SURE application which will set out their approach for utilising SURE funds (both grant and loan), including how they intend to address the conditions of the scheme. These are:

- Funding must be spent on research and innovation, including knowledge exchange activity.
- Funding must be spent on sustaining high quality research capacity and capability.
- Within the context of their existing research and innovation portfolio, universities will be expected to prioritise STEM research and areas of research typically funded by charities and businesses.
- Universities will need to set out a proposed process to take their own steps to make efficiencies in the delivery of research and innovation activity.

Universities will be expected to indicate the broad areas of research and innovation activity which they have supported and will support through SURE. Universities will also need to provide assurance around the process by which they undertake their prioritisation of research and innovation activity in line with the stated conditions.

Universities should set out the reason they require additional public funding, including what steps they have taken to reduce these requirements (e.g. through making efficiencies). They must also set out what practical steps they will take to mitigate risks of similar income fluctuations in the future.

In considering efficiencies, we note that universities have already made substantial efforts to reduce costs during the pandemic, balancing the increased costs they have had in supporting students to commence and continue to study. Those efforts have included senior staff foregoing planned pay increases and, in some cases, accepting pay reductions to recognise the difficult financial position which universities are now in. To provide a full picture of efforts already, universities will be asked to indicate briefly, and at a high level, where steps have already been taken.

As part of the condition relating to efficiency, universities in England will be expected to make the following additional commitments with regard to pay transparency and financial reporting.

Executive salaries

In addition to existing pay reporting requirements published by the Office for Students (OfS), participating universities will be asked to publish which pay bands (in bands of £5,000) the members of their executive board and staff in administrator roles are in. This applies to staff earning above £100,000 (i.e. identifying the number which fall in each pay band – but not naming either posts or individuals). Universities will be expected to publish this information annually for the period of the loan up until AY 2030-31.

As part of the SURE Plan, universities will also set out what they have already done with regard to senior pay restraint in response to COVID-19, and also what further action they have planned for pay over the period to end AY 2021-22. Universities will be expected to report on this annually until the end of AY 2021-22, as part of their SURE Fund annual reporting.

Financial reporting

As part of agreement to the package, the relevant government departments – BEIS, HMT and DfE - will have access to the financial information that the university provides to the OfS. This will be for the duration of the loan period, up to the end of AY 2030-31.

As Higher Education is a devolved area of responsibility, these additional conditions regarding pay and financial reporting will not apply to universities in Scotland, Wales and Northern Ireland.

Universities will also be expected to commit to work with the UK Government on delivery of the R&D Roadmap and ambitions; and to provide baseline evidence and necessary monitoring information to demonstrate delivery (where this is not available from other sources).

Universities in England will be obliged to confirm that they will fully comply with their existing legal duties to secure freedom of speech under section 43 Education (No.2) Act 1986 in order to be eligible for funding.

The names of participating universities will be published.

Why do BEIS, DfE and HMT need access to financial data for English universities? How will it be used?

The data will be available to BEIS, DfE and HMT to use for the purposes of helping to assess research efficiency within the context of the wider operations of the institution, where needed.

Does a university have to take up a loan in order to access the grant element of the package?

Yes. The allocation offer will come as a package comprising a loan and grant for each university. The proportion of loan to grant is 75% to 25% at the overall package level, but as the grant element will take account at sector level of the grant already allocated through UKRI’s costed grant extension scheme and equivalent National Academy schemes, the proportion of SURE funding provided as loan for individual universities will be substantially higher than 75%. In addition, given the latest positive data on overall international student recruitment for AY 2020-21, this suggests the package will be almost entirely in the form of a loan, with only a very small proportion of grant.

Does a university have to take up the whole package available to them?

No. A university can accept a lower allocation overall, but the grant and loan elements are linked so, the loan to grant ratio will still apply.

Are all universities eligible for support?

To be eligible to apply for the second part of this package, applicants in England must be an “Approved (Fee Cap)” provider registered with the OfS and already in receipt of UKRI/Research England funding. Equivalent providers in Scotland, Wales and Northern Ireland will also be eligible to apply.

What is meant by non-publicly funded research?

This is made up of research in a university that is funded by businesses and charities as well as research activity funded by universities from their own income.

Why is support based on drops from international students? What about other losses in research revenue such as from businesses and charities?

The international student metric when combined with the measure of ‘non-publicly funded research’ provides a proxy for overall COVID-19 losses to research revenue. In return for support, government will be asking for universities to demonstrate how funds are being utilised to sustain research in areas typically funded by charities and business. We will also take into account the income universities receive from business and charity research.

How will losses from international students and the value of non-publicly funded research be estimated?

We will make use of historic data – comparing AY 2020-21 data with AY 2018-19 out-turn. This is calculated using forecast data as at 30 October 2020 provided through the recent data collection exercise compared against AY 2018-19 baseline data.

What will the terms of the loan be?

As indicated in the announcement, the loan will be long term and low interest. We can now confirm that the interest rate will be 0.55% pa. The amortised loan will be based on scheduled annual repayments applied to both the principle and the interest, and there will be a payback period of ten years, with the first repayment due a year after the loan is paid. Further detail will be provided in the Heads of Terms, including rules concerning early repayment.

When must the funds be spent by?

We will expect universities to report against their use of the funds in line with the objectives of the programme and conditions of funding. This can include activities undertaken earlier in the 2020-21 academic year, prior to receipt of the SURE funding. As the objective of the SURE package is to address short-term losses in research related income, we expect most universities to have spent their SURE allocation by the end of AY 2021-22. Where universities expect funds to be disbursed over a longer period they will need to explain how this addresses the criteria and conditions of the Fund in their application.

Will support be available across the UK?

Yes. Support will be made available to eligible universities across the UK. UKRI is working with the devolved HE funding bodies on delivery across the four nations.

Will support be directed towards STEM disciplines?

The vast majority of research funding goes towards STEM disciplines. Funds from the overall package will also be used to mostly support STEM, given it will address shortfalls in funding in a number of areas, including from charities and businesses.

How will this regime fit with the DfE Restructuring Regime?

DfE are working closely with BEIS and other government departments to ensure coherence between the types of support available.

Is there a possibility that some universities will qualify for funding through both of these Open schemes?

Government is working to ensure a coherent approach. Where a university receives funding through the SURE Fund, it would be taken into consideration of eligibility for support through DfE’s Restructuring Regime.

What about financial support for teaching intensive universities and the impact on regional economies?

The Government recognises the important role that universities make to regional and local economies through the provision of high-quality courses aligned with local, regional and national economic and societal requirements. This will be within scope of the decision making process for intervention. Further detail on the Restructuring Regime will be announced in due course.

Will this cover loss of income from EU Research and Innovation programmes?

No. The UK government is currently considering participation in future programmes, and will consider a relationship in line with the participation of other non-EU Member States in Horizon Europe (and Euratom Research & Training), provided that this represents value for money and is in the UK’s interests. The shape and content of EU Programmes post-2020, including Horizon Europe, is still being finalised in the EU institutions. The regulations for these EU Programmes must be adopted by the EU before arrangements for potential UK participation could be finalised.

As a responsible government, we are developing alternative schemes to support international research and innovation collaboration, in tandem with progressing our input to Horizon Europe negotiations. The government will provide funding to mitigate against any loss of funding resulting from any changes in our participation in the EU R&I framework programmes, so that we protect and stabilise UK R&I. This would be subject to allocations at the Spending Review.

How will any EU R&I alternatives work with this coronavirus support?

BEIS teams are working closely to ensure that Horizon Europe alternatives are complementary to, and that they do not duplicate coronavirus support measures. BEIS is working with the National Academies, the Devolved Administrations, and UKRI to develop credible options to address immediate short-term needs, as well as more ambitious plans for the longer-term, that will enable world class collaborative research and innovation.